Excise Duty Exemption to Jute Mills

1001. MISS MABEL REBELLO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that jute mills have been exempted from payment of excise duty for sale of Jute Bags;

(b) if so, the reasons therefor and the quantum of loss to Government as 100 per cent Foodgrains and Sugar are packed in Jute Bags;

(c) whether Government would withdraw this exemption as the State Government of West Bengal continued to levy Sales Tax even when the Central Government withdrew excise from jute mills 4-5 years back; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) and (b) Yes, Sir. All jute and jute products were exempted from excise duty in the Budget 1997-98 to revive and give a thrust to the ailing jute industry. When the exemption was given in 1997-98, the revenue loss estimated was of the order of Rs. 65 crore a year.

(c) and (d) There is no proposal to withdraw the exemption under consideration of the Government at present as exemption from sales tax is not a precondition for granting exemption from excise duty.

Involvement of Government Officials in Tax Evasion by Mohan Nagar Avas Society

1002. SHRI SURYABHAN PATIL VAHADANE: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned, "Naukarshahi mein bharashtachar ka bara mamla khulne kee sambhavana" appearing in Dainik Jagran dated 9th November, 2001;

(b) whether Government are aware of similar tax related